

# THE MINERAL INDUSTRY OF DJIBOUTI

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Djibouti, which is a small East African country located at the southern end of the Red Sea, was a producer of salt and such construction materials as basalt. Other mineral occurrences of potential economic interest included diatomite, geothermal fluids and mineral salts, gold, gypsum, perlite, petroleum, and pumice.

In February 2004, Green River Geology Co. Pty. Ltd. and Westgold Resources NL of Australia formed a joint venture to explore for gold on two properties in Djibouti. After conducting further exploration work in 2005, Westgold decided to sell its interest in the joint venture to concentrate on its Australian properties (Westgold Resources NL, 2006).

Salt production started on a semi-industrial scale at Lake Assal in 1998 and reached a peak of 173,099 metric tons in 2001 as Djibouti replaced Eritrea as Ethiopia's source of salt imports. In October 2003, Ethiopia imposed a 53% tariff on imports of salt from Djibouti as part of its plan to achieve self-sufficiency in salt production. Djibouti's salt production and exports declined sharply as a result (Harris, 2004; Banque Centrale de Djibouti, undated, p. 20-21).

The outlook for Djibouti's mineral industry is for little growth in the short run; constraints include small domestic markets, minimal identified natural resources, and high electricity costs. Development of geothermal and wind energy could lead to lower costs. Resources of geothermal energy, in terms of potential generating capacity, have been estimated to be between 230 and 860 megawatts (MW) and wind, at least 100 MW (Business Council for Sustainable Energy, 2003, p. 47-49; International Monetary Fund, 2004, p. 59-60).

## References Cited

- Banque Centrale de Djibouti, [undated], Rapport annuel 2003 [Annual report 2003]: Djibouti, Djibouti, Banque Centrale de Djibouti, 65 p.
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- Harris, Ed, 2004, Djibouti's salt industry struggles toward rebirth: Reuters press release, August 10, 2 p.
- International Monetary Fund, 2004, Republic of Djibouti—Poverty strategy reduction paper and joint staff assessment: Washington, DC, International Monetary Fund, May 25, 186 p.
- Westgold Resources NL, 2006, Report for the quarter ended 31 December 2005: Perth, Australia, Westgold Resources NL, 7 p.

TABLE 1  
DJIBOUTI: PRODUCTION OF MINERAL COMMODITIES<sup>1</sup>

(Metric tons unless otherwise specified)

Commodity	2001	2002	2003	2004 <sup>c</sup>	2005 <sup>c</sup>
Salt	173,099	162,266	128,494	30,000	30,000

<sup>c</sup>Estimated; estimated data are rounded to no more than three significant digits.

<sup>1</sup>Includes data available through March 13, 2006.